



# Impact on the Energy Star Program, and Consideration of Alternative Approaches

# Energy Star

- Voluntary, market-driven and national
- Government-industry partnership
- Captures broad range of consumer electronics
- Strong participation by manufacturers
- Well-recognized by consumers
- Competitive incentive for energy savings



[www.CE.org](http://www.CE.org)



# Energy Star

- Market penetration of Energy Star products in the CE marketplace has been significant for the categories of products for which the CEC created new regulations
- High penetration rates also represent an energy savings achievement in California and the U.S.
- *This achievement is a direct result of the voluntary, industry-supported and market-driven nature of the Energy Star program*



[www.CE.org](http://www.CE.org)



# Energy Star

- Home Electronics: Energy Savings  
Achieved: *6.0 Billion kWh*; Emissions  
Prevented: *1.2 Million metric tons of  
carbon equivalent*
- Office Equipment: Energy Savings  
Achieved: *40.4 Billion kWh*; Emissions  
Prevented: *8.1 Million metric tons of  
carbon equivalent*

Source: Energy Star 2003 Annual Report



[www.CE.org](http://www.CE.org)



# Energy Star

- Designed to recognize products that are in the top 25% for energy efficiency
- New criteria are phased in gradually
- 100% compliance with Energy Star criteria at any point in time is not an objective of the program
- Over time, the Energy Star program leads the market toward higher efficiency levels
  - Cumulative energy savings impact: More Energy Star models are in use by consumers in addition to being available at retail

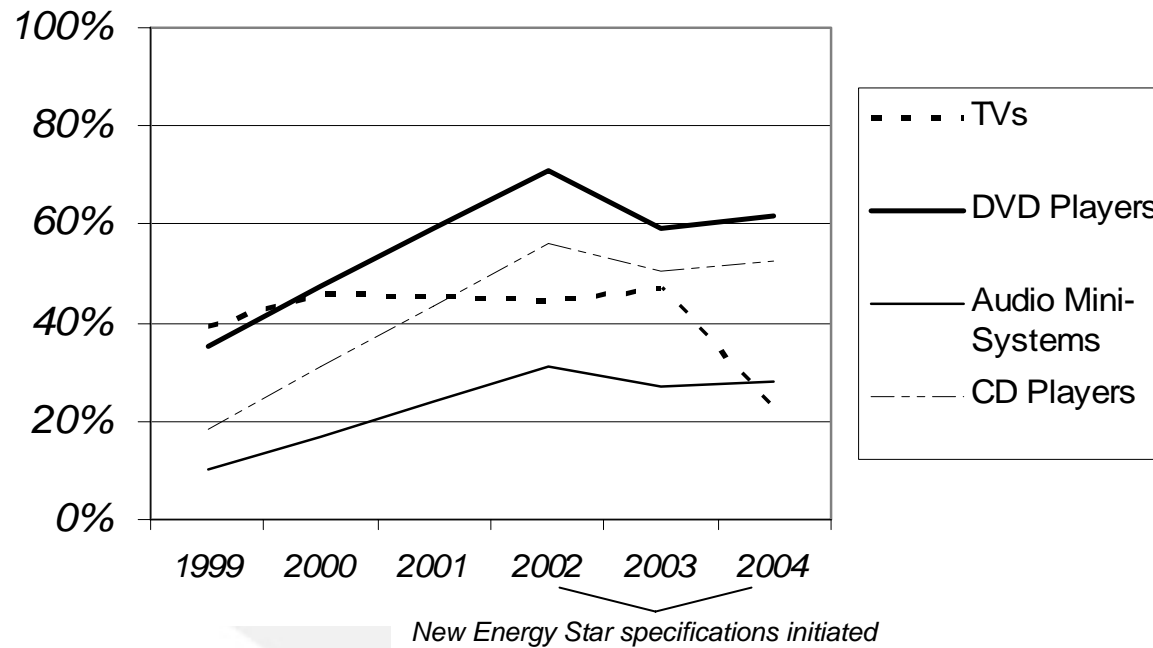


[www.CE.org](http://www.CE.org)



# Energy Star

## *Estimated Market Penetration of Energy Star Units*



Source: EPA Energy Star program estimates, September 28, 2005



[www.CE.org](http://www.CE.org)



# Energy Star

Product	<i>CEC</i>	ES Penetration 2002	<i>Energy Star</i>	ES Penetration 2004
TVs	3W (ES Phase I Standby Mode spec. effective 7/1/02)	<b>45%</b>	1W (Phase III, effective 7/1/05)	<b>22%</b>
DVD Players	3W (ES Phase I Standby Mode spec., concluded on 12/31/02)	<b>71%</b>	1W (Phase II, effective 1/1/03)	<b>62%</b>
Audio Mini-Systems	2W / 4W (w/ clock) (2W = ES Phase I Standby Mode spec., concluded on 12/31/02)	<b>31%</b>	1W (Phase II, effective 1/1/03)	<b>28%</b>
CD Players	2W / 4W (w/ clock) (2W = ES Phase I Standby Mode spec., concluded on 12/31/02)	<b>56%</b>	1W (Phase II, effective 1/1/03)	<b>53%</b>



[www.CE.org](http://www.CE.org)





# Energy Star

- The success of the Energy Star program is due to its ***voluntary*** nature
- Program criteria are the result of broad industry participation, careful negotiation, and recognition of market and technological facts and limitations



[www.CE.org](http://www.CE.org)





# CEC Impact on Energy Star

- CEC created new and ***mandatory*** regulations for consumer audio and video products and external power supplies that are based on the ***voluntary*** thresholds established within the Energy Star program
- Though the Energy Star specifications on which the CEC based its regulations have been superseded by new Energy Star specifications in several cases, they were never intended as nor negotiated to be mandatory limits after any set period of time



# CEC Impact on Energy Star

- For televisions, DVD player/recorders, and compact audio products, the CEC's regulations are almost entirely drawn from the Energy Star program



[www.CE.org](http://www.CE.org)



# CEC Impact on Energy Star

Product	CEC Regulation
TVs	3W (Energy Star Phase I Standby Mode spec. effective 7/1/02)
DVD Players	3W (Energy Star Phase I Standby Mode spec., concluded on 12/31/02)
Audio Mini-Systems	2W / 4W (w/ clock) (2W = Energy Star Phase I Standby Mode spec., concluded on 12/31/02)
CD Players	2W / 4W (w/ clock) (2W = Energy Star Phase I Standby Mode spec., concluded on 12/31/02)

# CEC Impact on Energy Star

- For external power supplies, the CEC's *mandatory* regulations are identical to the *voluntary* Energy Star Tier 1 program criteria for this same category
- These *voluntary* criteria had just been negotiated by Energy Star program representatives and industry several months earlier!



# CEC Impact on Energy Star

- Energy Star program criteria for audio and video products and external power supplies were developed as a voluntary initiative and reasonable incentive for manufacturers and their suppliers
- Good faith negotiations led to these criteria



[www.CE.org](http://www.CE.org)



# CEC Impact on Energy Star

- Prior to CEC's action, no state government or authority had taken the voluntary Energy Star program criteria and made them mandatory
- CEC's regulatory action threatens to undermine the future success of the Energy Star program
- Once the voluntary Energy Star program criteria are perceived as having the potential to be mandatory, uncertainty among manufacturers increases, and the negotiations leading to the program criteria are altered



# CEC Impact on Energy Star

- Based on member feedback, CEA believes mandatory government standards based on Energy Star program criteria will have a negative impact on the future success of Energy Star
- CEC's mandatory standards for consumer audio and video products and external power supplies are expected to weaken the national Energy Star program, which has unfortunate consequences for consumers and manufacturers, as well as energy savings in general



[www.CE.org](http://www.CE.org)





# Alternative Approaches to CEC's Mandatory Regulations

- CEA believes there is not only ample reason but also significant opportunity for the CEC to reconsider its mandatory regulatory approach for the high tech industry in favor of an alternative



[www.CE.org](http://www.CE.org)



# Alternative Approaches to CEC's Mandatory Regulations

- As an alternative to the CEC's mandatory regulations for high tech products, the CEC should support and influence ***standards developed by industry***, which have a greater potential for energy savings while protecting innovation and consumer choice



[www.CE.org](http://www.CE.org)



# Alternative Approaches to CEC's Mandatory Regulations

- Advantages of **industry-led standards**:
  - Market-oriented
  - Strong industry participation
  - Credible and flexible
  - Open to all stakeholders
  - Performance neutral
  - International



[www.CE.org](http://www.CE.org)



# Alternative Approaches to CEC's Mandatory Regulations

- Current **industry standards projects** for energy efficiency:
  - Standard for set-top box energy consumption (CEA Video Systems Committee ["R4"] Working Group 13)
  - New method for measuring for TV energy consumption (IEC TC 100 and TC 110 working groups)



# Alternative Approaches to CEC's Mandatory Regulations

- CEA has invited CEC representatives to participate in these industry standards projects
- As an alternative to its mandatory regulations, CEA encourages the CEC to propose new industry standards setting activities for key consumer electronics product categories of interest which CEA or other industry standards development organizations could pursue
- Not only could this approach have a greater potential for energy savings while protecting innovation and consumer choice, it would present an exciting opportunity for industry and California policy makers to work collaboratively on energy efficiency initiatives of mutual interest



[www.CE.org](http://www.CE.org)

